

EXHIBIT 3  
DATE 3-26-13  
PS 593



Dan Bucks  
Director

## Montana Department of Revenue



Brian Schweitzer  
Governor

July 1, 2011

Helle Livestock  
1350 Stone Creek Rd.  
Dillon, Mt. 59725

Dear Mr. Helle,

Thank you for allowing us the opportunity to review your property and to respond to the concerns expressed in the Request for Informal Reviews you filed with our office. Your request caused us to undertake a comprehensive review of your properties. This is our response to that review.

The increase in the total appraised value of your grazing land from the last reappraisal cycle can be attributed, at least in part, to the increase in the private grazing lease from \$12.82 per aum to \$15.72 per aum. Another factor which may have contributed to an increase is the shift from a subjective grade assignment to the more objective use of the NRCS soil survey in determining an estimated productive capacity.

We agree that conditions specific to your area, namely; elevation, topography and average rainfall (effective amount, timing, kind and distribution) have an impact on the productive capacity of the land. The NRCS does take these factors into consideration, however the historical grazing information you provided, and data from clippings done through the local NRCS EQUIP program seems to indicate a further adjustment may be necessary. We consider this information reliable; however we were unable to settle on a uniform and objective method for application statewide which is necessary to meet the fair and equitable portion of the law (MCA 15-1-201). Any future consideration of these elements may require direction from the Agricultural Advisory Committee and/or the Legislature

Finally, we considered the scarcity of available drinking water for livestock. While we understand the importance of drinking water for livestock management, we feel it would need further study before we could implement any adjustment to values because of it.

As a result of our review we are unable to make an adjustment to the productive capacity of your land at this time.

*SUBMITTED  
BY Tim  
Brown  
on  
BEHALF OF  
MR WOOL  
CROWLEY*

Thank you for your patience and for bringing the matters of elevation, precipitation, topography and drinking water to our attention. Our inability at this time to adjust your productivity due to these factors in no way diminishes their importance. It is through the efforts of individuals like you that are most familiar with the land that will help us refine our system as we move forward. If you have any questions at all please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to be 'D. Williams', written over the word 'Sincerely,'.

Appraiser

7/14/11

**PROPERTY TAX APPEAL FORM***Read directions on first page before completing*RECEIVED  
AUG 03 2011

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File this appeal with the Clerk and Recorder in the County in which the property is located. File on or before the **First Monday in June or within 30 days of the time you receive your Notice of Assessment or revised assessment notice of real property subject to taxation or your Assessment list of personal property from the Montana Department of Revenue.** (for the purpose of a tax appeal, your notice of taxes due from the County Treasurer is not considered a notice of change or assessment.) You may also appeal a decision made by the Department of Revenue based upon your informal review. You must file the appeal of the outcome of the informal review conference within 30 days of the receipt of the Department of Revenue decision.

**FOR CTAB USE ONLY**Date Filed: 8-3-11Docket #: 2009-1109

Received by:

Jamie Buey

THE FOLLOWING SECTION MUST BE COMPLETED IN FULL

**Taxpayer Information****Legal Description of Property**Name of Taxpayer  
as shown on tax rolls:Helle Livestock

Lot(s)

See Attached

Mailing Address

1350 Stone Creek Rd.

Block(s)

City/Town

DillonAddition/Subdivision  
(NAME)

County

Beaverhead

City/Town

Zip Code

59725

Street Address

Contact Phone No.

+1 (406) 660-0990

Alternate Phone No.

+1 (406) 683-6686

Was an AB-26 Form filed with the DOR?

☐ No☒ YES

If YES/Date

11/30/2010No. of Acres: 3821 Section:Township: 7SRange: 7W

GEO Code:

See Attached

	<del>Market Productivity</del> Appraised Value set by Department of Revenue	Appraised Value as Determined by Taxpayer	Appraised Value set by County Board Decision
Land	<u>234,573</u>	<u>140,737</u>	<u>Reduce Productivity</u>
Buildings			<u>Values by 10%</u>
Personal Property			

Reason for Appeal:

The carrying capacity that the department calculated is almost double what the historic use of the land.

Name of Taxpayer:

John C Helle

Signature of taxpayer:

John C Helle

Date:

Aug 1 2011

I hereby Authorize

(name of agent) to represent me in this matter.

Signature of taxpayer:

Date:

7/14/11

Name of Taxpayer: \_\_\_\_\_

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GEO Code: \_\_\_\_\_

**THIS PORTION FOR COUNTY TAX APPEAL BOARD USE:**

The above application for reduction in appraised value is: (circle one) **approved** **disapproved** **adjusted**  
 for the following reasons:

A motion was made and passed to approve the appeal and to reduce the productivity values by ten percent. We believe that the Department of Revenue followed the rules and guidelines properly, but we believe the process and valuing of productivity is basically flawed. Since the productivity values are such an important part of the process, we believe more factors need to be considered in arriving at these values in the future. Date: 11-3-11

Madison

County Tax Appeal Board

Ron Paige

Chairperson

**IF YOU ARE DISSATISFIED WITH THE COUNTY BOARD DECISION, COMPLETE THIS PORTION FOR APPEAL TO THE MONTANA STATE TAX APPEAL BOARD.**

DOCKET NO.:

Section 15-2-301, MCA: "If the appearance provision of the 15-15-103 have been complied with, a person or the department on behalf of the state or any municipal corporation aggrieved by action of the county tax appeal board may appeal to the state board by filing with the Montana State Tax Appeal Board a notice of appeal within 30 calendar days after receipt of the decision of the county board. The notice must specify the action complained of and the reasons assigned for the complaint."

I hereby appeal the action of the Madison County Tax Appeal Board, received on 11/6/2011 (date) for the following reasons:

We believe the DOR underestimated the carrying capacity of our  
rangeland based on our historic use, adjacent Federal & State Leases and  
recent calculations done by the NRCS in conjunction with an EQUIP range  
inventory. We also request this appeal be coordinated with neighboring Ranches.

Signature: John C. HillDate: Dec 7, 2011

1209 8th Ave. - PO Box 200138 - Helena, MT 59620-0138

Telephone Number: (406) 444-2720 - FAX Number: (406) 444-3103 - Internet: www.stab.mt.gov

IF YOUR TAXES BECOME OVERPAID WHILE AN APPEAL IS RESOLVED, THEY MUST BE PAID UNDER PROTEST, OR IT MAY NOT BE POSSIBLE TO OBTAIN A REFUND, AS PROVIDED IN SECTION 15-2-505, MCA.

\*\*\* PROPERTY TAX RECEIPT \*\*\*

Date: 11/30/11

MADISON COUNTY  
MADISON CO TREASURER SHELLY BURKE  
PO BOX 247, 100 E WALLACE  
VIRGINIA CITY MT 59755

ID: 12023700  
Type: REAL  
Page: 1

Name & Address	TW Rang SC Description
HELLE LIVESTOCK	07S/07W /03
1350 STONE CREEK RD	ACRES 2, PARCEL IN SW4SW4
DILLON MT 59725-7332	07S/07W /10
	ACRES 379, PARCEL IN W2NW4 -
	S2 P.B. 180/10
	07S/07W /11
	ACRES 320, S2
	07S/07W /12
	ACRES 80, W2SW4
	07S/07W /13
	ACRES 320, W2
	07S/07W /14
	ACRES 640, ALL
	07S/07W /15
	ACRES 640, ALL
	07S/07W /22
	ACRES 520, E2, NW4, NE4SW4
	07S/07W /23
	ACRES 400, W2, W2SE4
	07S/07W /25
	ACRES 80, SW4NW4, NW4SW4
	(Additional Legal Available)Geo:
	0328-03-3-01-01-0000

11/30/11 Received from: CK# 15740 HELLE LIVESTOCK PD UNDER

PROTEST

Year	Int. Date	Tax Date	Tax Amount	Penalty	Interest	Total Amount
11	11/30/11	11/30/11	1,465.80	0.00	0.00	1,465.80
Total for Tax Date			1,465.80	0.00	0.00	1,465.80
Total for 11			1,465.80	0.00	0.00	1,465.80

Total Tax, Penalty and Interest

PAYED

1,465.80

MADISON COUNTY TREASURER